



AOT in Action

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

A Message from Director Sherry Henry:

Good morning,

For seven years AOT, along with our industry partners, the Greater Phoenix Convention and Visitors Bureau (CVB), Scottsdale CVB and Tempe CVB, has proudly sponsored [the P.F. Chang's Arizona Rock 'n' Roll Marathon and ½ Marathon](#). The event will be held this Sunday, January 17, 2010.

More than 34,000 runners from across the globe are expected to participate in this incredible event. And as a sponsor of one of the most popular courses on the marathon circuit, we have taken great measures to reach out to every participant and encourage them to visit all regions of the state to experience unique travel adventures that only Arizona provides.

From rejuvenating in one of our luxurious resorts and spas or dining in one of our fabulous restaurants to experiencing Arizona's unforgettable scenery or discovering our state's vibrant culture and heritage, this event has been extremely beneficial and has allowed us to introduce Arizona as a vacation destination to thousands of visitors. We are certain that many of these visitors will take advantage of their free time to discover the Grand Canyon State's amazing destinations while spending money on hotels, food and shopping throughout the state!

On a celebratory note – Loews Ventana Canyon Resort is commemorating its 25th anniversary! Congratulations to this wonderful tourism asset that has helped the Arizona tourism industry introduce the beauty and luxury of the Sonoran desert.

Have a great week.

AOT News

Mark Your Calendars for the 2010 Arizona Governor's Conference on Tourism!

The 2010 Arizona Governor's Conference on Tourism will be held July 12-14, 2010 at Loew's Ventana Canyon Resort in Tucson, Arizona.

Attendees can look forward to Arizona's premier travel and tourism industry educational and networking conference. Conference goers will gain practical skills and techniques from the industry's top experts, hear the latest in hospitality and tourism trends, network with more than 500 fellow professionals and learn about products and services from exhibiting sponsors. Look to future editions of **AOT in Action** for more information.

Upcoming Events & Activities

[American Bus Association \(ABA\) Marketplace](#)

Date: January 15-19

Location: National Harbor, Maryland

[Chicago Sales Mission](#)

Date: January 18 - 22

Location: Chicago, Illinois

[Visit USA Consumer Shows - Germany](#)

Date: January – March 2010

Location: Hamburg, Munich, Stuttgart

Industry News

Yesawich Predicts Travel Recovery in Second Half

Peter Yesawich, chairman and CEO of the Ypartnership, said that there are some anecdotal indicators that the travel industry could start to recover this year, but probably not until the latter half of the year. The culprit remains the languishing economy. And although the most recent GDP numbers provide some encouragement and job losses have abated, consumers have adopted more conservative saving and spending patterns because they remain uncertain about the horizon line and have yet to recover from the systemic shock they experienced while they watched helplessly as a significant chunk of their net worth evaporated during the past 18 months. This will be another year in which value will be in vogue, and both business and leisure travelers will sharpen their travel planning and purchasing skills further to insure they don't overpay.

What will be in this year will be drive vacations, mid-priced hotels, low-cost carriers, all-inclusive resorts, packaged vacations and cruises. Still a majority of adults in the U.S. (53%) are planning to take at least one overnight trip primarily for leisure purposes between now and April 2010.

Yesawich said the demand for business travel services continues to languish and is not likely to improve until we see a significant turn in the economy. (*www.TravelPulse.com; Special to TA; Travel Advance, Jan. 4*)

Travel Industry Supports Tighter Security, Seeks Increase in Promotion Funds

The travel industry says it's OK with new security measures put in place by the Obama administration in the wake of the Christmas Day attempt to blow up a Northwest Airlines flight between Europe and Detroit.

But the U.S. Travel Association also wants legislation passed assessing new fees on foreign travelers with the money going towards promoting international tourism and business travel to the U.S. The Washington, D.C.-based Travel Association (which represents travel agents, hotels and other tourism and transport businesses) also wants to see money from the \$787 billion American Recovery & Reinvestment Act put towards airport security, including full-body scanners.

The Travel Promotion Act would assess \$10 fees on foreign travelers and would be used along with a \$100 million private sector marketing campaign aimed at promoting international travel to the U.S. The bill passed both chambers of Congress in 2009 but the two versions were not meshed and the bill did not gain final passage. U.S. Rep. Harry Mitchell, D-Ariz., was one of the co-sponsors.

U.S. anti-terrorism efforts and security measures since the 9/11 terrorist attacks, as well as struggling economies worldwide, have put a dent in foreign travel to the U.S., including western tourism markets such as Phoenix, Las Vegas and Southern California.

The Obama administration has implemented some new security measures after a Nigerian man with alleged ties to al Qaeda unsuccessfully tried to detonate powdery explosives on a Northwest flight between Amsterdam and Detroit.

Those new measures include more searches of passengers coming from countries with links to terrorism groups and increased focus on looking for powder-based explosives. The U.S. Transportation Security Administration is also deploying more full-body security scanners at U.S. airports. Phoenix Sky Harbor International Airport has one of those scanners at Terminal 4, according to TSA.

Tourism and business travel are facing economic challenges in Arizona, where they are important segments of the state's economy. (*Phoenix Business Journal, Jan. 4*)

Mesa Air Group files Chapter 11

Mesa Air Group filed for Chapter 11 bankruptcy protection Tuesday, citing an untenable financial situation. The Phoenix-based regional airline is asking a federal bankruptcy court to allow it to continue flying and operating during its reorganization.

Mesa flies regional routes for a number of larger carriers, including Tempe-based US Airways Group Inc., United Airlines and Delta Air Lines. Mesa Air is in a court battle with Atlanta-based Delta over the latter trying to cancel some operations contracts.

Mesa Air has 130 airplanes and serves 127 cities including flying under the US Airways Express and United Express banners. Founded in 1982, Mesa has 3,500 employees. The company filed for Chapter 11 in the U.S. Bankruptcy Court in New York City.

"This process will allow us to eliminate excess aircraft to better match our needs and give us the flexibility to align our business to the changing regional airline marketplace, ensuring a leaner and more competitive company poised for future success," said Mesa chairman and CEO Jonathan Ornstein in a statement.

"Over the past two years, we have worked closely with our lesser, creditors and other constituents to restructure our financial obligations," added Ornstein. "These efforts have led to the elimination of over \$160 million of debt obligations, the return of a number of aircraft, and the restructuring of inventory management and engine overhaul agreements. We are nonetheless faced with an untenable financial situation resulting primarily from our continued lease obligations on aircraft excess to our current requirements. In addition, this action will give us the opportunity to reach a timelier conclusion in the litigation with Delta Air Lines in which Mesa is currently seeking damages in excess of \$70 million." (*Phoenix Business Journal Jan. 5*)

After Year of pain, Airlines Claw Back

Evidence is mounting that the nation's battered airline industry has turned a corner as it heads into 2010, despite grappling with heightened security concerns and volatile fuel costs. A handful of U.S. airlines reported this week that their traffic rose and revenue shortfalls narrowed in December, compared with a year earlier, as they continued to claw back from last summer's nadir, when many were reporting double-digit-percentage declines in revenue. That news is easing earlier fears of widespread bankruptcies this winter and fanning optimism that the industry will start to grow again in 2010, reports The Wall Street Journal. (*Page B1, Wall Street Journal; Travel Advance, Jan. 7*)

Calendar of Events

Visit www.ArizonaGuide.com to find information on all the exciting [events, festivals and activities](#) held throughout the Grand Canyon State!

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